

Murray-Lower Darling Customer Advisory Group - Minutes of Meeting



Location: Big4 Holiday Park, 100 Ochtertyre St, DENILIQUIN

Date: 31 July 2019

Time: 9.30am

Present: Geoff Mann, John Lolicato, Paul Childs, Luke Barlow, Alastair Starritt, Andrew Hicks, Michael Chalmers, Gordon Fox, Judith Damiani, Rachel Strachan, Wayne Smith, Louise Burge, Rodney Stone, Hilton Taylor, Laura Circuit (observer), David Straccione (observer), Blake Edwards (observer), David Stockler, Jonathan Dickson, Vince Kelly, Dan Berry, Brian Mayhew, Eddy Taylor, Enrico Proietti, Sonia Townsend and Toni Hayes (minutes).

C Braddock and S Wickramasinghe attended for agenda item 3.2.
S Wheeler and A Fraser attended via Skype for agenda item 4.2.

Meeting Opened: 9.30am.

1. Introduction:

1.1 Welcome and introductions

- Members provided a brief introduction and the water types and entitlements they represent.

1.2 Apologies

- Linda Christesen, Katharine McBride, Darcy Hare.

1.3 Confirmation of Agenda Items

- Nil new agenda items raised.

1.4 Declaration of Interest(s)

- Declarations of interest were sought from attendees in relation to the meeting's agenda items. No interests were declared. Items included in the agenda are not considered confidential unless declared as such.

1.5 CAG Member Introduction/Information

- WaterNSW provided an outline CAG roles and responsibilities, role of WaterNSW, CAG format and schedule and CAG member documentation and claims.

1.6 Election of Chairperson

- L Burge was nominated by R Strachan. No other nominations received.
- Customers commented on the value of contribution from the nominee and questioned whether L Burge could effectively contribute to meeting discussions if she were to accept the role of Chairperson. Discussed.
- L Burge was appointed to the position of Chairperson and CAG representative unopposed.

1.7 Minutes of Previous Meeting, 27 March 2019:

- Resolved the minutes of meeting held on 27 March 2019 be confirmed as a correct record. Taken as read.

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1.8 Actions arising from minutes

- See action sheet attached.
- Customers sought an update on the 50/50 channel sharing rules (as per closed action MLD1809.07), indicating it is hard to provide feedback/response if they don't have the information. WaterNSW indicated there is a lot happening in this space, including with other agencies (MDBA and others). As previously advised, the NSW Government's position is 50/50, whether that means there is room for additional development is unknown.

2. Water Delivery:

2.1 Water System Operations Report (V Kelly)

- WaterNSW presented the operations plan for the Murray and Lower Darling valleys including dam storage, water availability, inflows, operational loss, drought management measures, outage planning and prognosis. The plan is publicly available on WaterNSW's website at www.waternsw.com.au/customer-service/news/operations.

Murray:

- Customers disappointed Menindee is not listed under the storage status highlights on page 1 (note: Menindee Lakes storage graph is included in section 2.4, Dam Storage).
- Customers questioned negative balances carried over on high security the following year. WaterNSW advised that accounts were overdrawn (4,227ML forfeited). WaterNSW ran an extensive carryover campaign 2 years running with some success, taking a proactive approach and advising customers so they could see what volume was at risk at the end of the year. Striking to note there was such a high amount forfeited. All negative balances are reported/referred to NRAR.
- Operational losses discussed. Operational loss is water above that which could reasonably be expected to pass end-of-system gauge as the last point on Murray River being supplied with regulated flow (dam releases and controlled tributary inflows – not supplementary flows). Note: does not include water lost in transmission.
- As discussed at the last meeting, WaterNSW is reviewing naming conventions and descriptions around losses (transmission loss, operational loss, surplus etc) to get clear definitions of what is used consistently across all departments (looking at defined terms).
- Wakool allowance discussed. The volume set aside for allowance in the Wakool system is DoIW's area, however, WaterNSW can look into to ensure terminology is consistent.

Action MLD1907.01: WaterNSW to request DoIW to update the Wakool allowance naming convention from "loss" to "allowance" to ensure consistency.

Responsibility: V Kelly

Lower Darling:

- Inflows at Wilcannia over the past 12 months totalled 6.3GL (lowest on record is 4GL). The 24-month inflows totalled 59GL which is lowest on record (previous record 134GL).
- Inflow from Warrego arrived Wilcannia on 14 June 2019 with 3.3GL observed up to 29 July. Flow will cease soon at Wilcannia and total volume is not expected to exceed 3.4GL. Lake system did not receive any inflow from this event and no flow is expected to arrive as flow is about to cease at Wilcannia. Customers noted that flows couldn't get to Warrego as small/medium flows aren't getting through the system anymore and were disappointed the Operations report highlights didn't reflect a lost opportunity in the Warrego.

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- Customers commented that the S&D graphs are misleading in terms of BLR extraction. WaterNSW noted that the graph represents **licensed** S&D only (water we can account for), not BLR.
- Water allocation and availability discussed. Customers questioned carryover data and stated numbers are not reflective of carryover in the Lower Darling. Needs to be clearer for customers to understand how much carryover there is. WaterNSW will look into.
- Customers sought information on operational losses in the system, particularly above channel capacity. WaterNSW advised the MDBA has released a report about last year's operational losses (attached as per action MLD1903.03). Will look to include information in next operations report.
- Discussion occurred around channel sharing, NSW's position of 50/50 share and WaterNSW's lack of position on growth development below the channel.

2.2 Operational Drought Update (D Berry)

- System inflow vs allocation for the southern valleys, Lachlan and northern valleys; valley drought allocations; available water in accounts at 1 July 2019; and drought contingency measures presented and discussed.

Action MLD1907.02: WaterNSW to provide information on carryover in accounts in the Barwon-Darling for unregulated tributaries.

Responsibility: D Berry

Action MLD1907.03: WaterNSW to provide information on Queensland flows/historical flow regime.

Responsibility: D Berry

- Customers queried a report on WSPs in the northern valleys and what it's done to the system, indicating it was damning. WaterNSW advised the NRC did a review of the unregulated Barwon-Darling WSP only and has released a draft report for feedback. WaterNSW will provide a submission.
- Customers questioned WaterNSW's view on HS water being viewed as a higher priority product than carryover. Is an issue for the SAP and is contentious in the Murray. WaterNSW advised that the WMA has principles however each WSP can set its own priority lists. To be discussed further at the ROSCCo.
- Further information on the drought is available on WaterNSW's website at www.waternsw.com.au/supply/drought-information

3. Assets:

3.1 Asset Maintenance and Services Update (E Taylor/B Mayhew)

- Asset performance and maintenance in the Murray and Lower Darling valleys presented and discussed, including safety improvements, maintenance delivery, breakdown/defects and upcoming works of note.
- Customers noted that Niemur has been identified as needing an upgrade. Customers suggested that landholders and groups associated should get notice. WaterNSW advised that a report is underway to investigate what is required and will continue to update customers on progress, however currently only in investigation and scoping phase.
- Tumudgerly – work is currently being done and a report will be out soon.
- WaterNSW will continue to provide updates at the next CAG meeting.

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3.2 Annual Capital Plan (C Braddock)

- Murray and Lower Darling renewal and replacement forecast, dam safety compliance forecast, completed and in progress projects and new candidate projects presented and discussed.
- WaterNSW noted if we overspend on the allowance in the CAPEX, this is at the risk of the business and is not entered into the RAB. No costs incurred to customers.
- FY22-25 Regulatory Period – WaterNSW will have a draft capital program to present to customers in November with final to be presented March 2020. Submission due 30 June 2020.
- W2BH Pipeline has its own determination and Murray customers won't pay. Ownership, affordability and passed on costs discussed.
- SDL projects discussed. WaterNSW has received Federal funding to do analysis and investigation, costs incurred are not passed on to customers. Projects have not been funded Federally.

4. Presentations/Consultation

4.1 Regulatory Economics (J Dickson)

- The current WAMC Determination runs to 2020 with functions split between DoIW, NRAR and WaterNSW. An extension to the IPART timetable was requested by DoIW and granted and submissions for both the WAMC and Rural Valleys determinations are now due 30 June 2020.
- WaterNSW has engaged *New Democracy Foundation* to engage with customers. A jury approach will be used to recruit representative water users to work through a detailed engagement where customers have core input into how we can best deliver water and what is a fair way to pay for it.
- Jury selection discussed. WaterNSW is currently designing this component, but likely to be a number of platforms including invitations to 10,000 randomly selected customers inviting them to apply for involvement. Customers noted that overarching representative groups should be included on the jury rather than individuals who represent themselves and cross-border issues need to be understood.
- Concerns that average/smaller irrigators may not understand the complications around IPART reviews if they've had no experience with it in the past. WaterNSW agrees and an appropriate balance is important and will be considered.
- Customers suggested a specific group should be established for the Murray as is a unique system and has a lot of competing issues.
- It is envisaged that CAG members will still have significant input into pricing discussions. This process will run in addition to the CAGs who will still have input.
- MDBA pass-through charges discussed. Customers questioned why costs are so high. WaterNSW advised that in its submission to the Regulator we advocated that MDBA charges should go through the same prudence and efficiency review as WaterNSW charges and should be tested the same way. Customers are strongly encouraged to make individual submissions to the Regulator rather than rely on WaterNSW's submission. Has far more impact when customers' submissions align with WaterNSW. Customers need to make their concerns known to IPART directly and well in advance.

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4.2 Levels of Service update (S Wheeler)

- WaterNSW provided an update on the Levels of Service project. Currently in the short-listing phase which will feed into cycle 2 workshop with Murray and Lower Darling customers.
- Cycle 1 Workshop with the CAGS identified the key LOS priorities within each rural (regulated) valley and developed tools and methodology for assessing the shortlisted options
- The cycle 2 workshop is proposed for 27 or 28 November 2019, in line with the next CAG meeting, with the purpose to present findings and identify projects customers would like included in the 2020 IPART pricing submission.
- Customers highlighted concerns around cycle 1 workshop, noting there was not enough consultation or detail on the proposed options in order for customers to provide informed input and feedback. Also being confined to CAG members only was not adequate and suggested infrastructure owners be included.
- WaterNSW advised the next phase is to provide more specific information around proposed projects, which is the intention of the cycle 2 workshop.
- The 20 Year Infrastructure Options Study (20YIOS) was discussed. Customers stated there was insufficient consultation on the preliminary stages of projects. WaterNSW highlighted that nothing has been funded, is a proposal where we will consult with customers through the LOS project. To view, please visit www.waternsw.com.au/projects/infrastructure-studies/20-year-infrastructure-options-study
- Customers advised the Minister has asked customers to prioritise projects now, however, WaterNSW consultation is in November. The cycle 2 workshop does not align with customers' need for consultation in the immediate future.
- Customers requested the cycle 2 workshop be brought forward and more detailed information be provided in advance of the meeting.

Action MLD1907.04: WaterNSW to look at bringing the cycle 2 LOS workshop forward and provide additional dates to customers' asap.

Responsibility: A Fraser

- It was noted that the drought may escalate some of the projects/needs due to criticality. Long term options studies may not be completed in time to address the current drought.

4.3 Local Water Utilities Monitoring Review update (J Dickson)

- WaterNSW had an Operating Licence obligation to review water quality monitoring of water released for local water utilities customers. This review is now complete and a report has been provided to IPART. WaterNSW will communicate findings and initiate follow up discussions with individual LWUs.

4.4 Fixed Fee Rebate update (S Townsend)

- The NSW government recently announced a repeat of the fixed fee rebate of up to \$4000 per licence to the fixed component for general security and some supplementary licences. All rebates will be applied automatically to future invoices from 1 July 2019.
- For more information on drought relief, please visit www.dpi.nsw.gov.au/climate-and-emergencies/droughthub

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4.5 Water Reform Implementation Plan (WRIP) (J Dickson)

- WaterNSW provided an update on the Water Reform Implementation Plan (WRIP) timeline, when changes take effect and the staged rollout timetable.
- Metering reform update presented including telemetry and new standards, consultation, field testing rules for duly qualified persons (DQP), inactive works for groundwater and meter title transfer. Reasonable use guidelines and reporting on non-telemetered meters is still to come.
- Private ownership of meters and underground/buried meters discussed. WaterNSW stated that buried meters will be part of the handback discussion. Rules have not been landed upon yet and a lot of questions remain unanswered. WaterNSW is committed to customer choice and will have individual conversations with all customers affected. We want customer to make informed decisions.
- Customers commented that DoIW engagement around metering has been disappointing, with unclear rules and inadequate timeframes for implementation. WaterNSW advised that the 1 December 2019 deadline applies to customers with large surface water pumps >500mm, which involves around 1200 WaterNSW customers. The timetable for compliance for other users will be a staged roll out and deadlines are unlikely to change.
- Customers commented that the irrigation industry needs to get public trust back and going back to private ownership of meters is going to destroy that.
- Customers asked WaterNSW to pass on customer feedback to the Regulator indicating that due to an unworkable timeframe, work involved and unknown consequences of meter handback, the Murray-Lower Darling CAG recommends the Regulator extend the implementation timeframe in the south to 5 years in order to investigate options.
- DPI has released a NSW Metering Guidance Tool for customers to ascertain requirements for compliance. It is available at <https://www.industry.nsw.gov.au/water-reform/metering-framework>

4.6 Water Insights Portal update (D Berry)

- As presented at the last meeting, WaterNSW has launched a new Water Insights Portal which is available on our website <https://www.waternsw.com.au/waterinsights/water-insights>
- Additional valleys have now gone live, with remaining sites to be live by end July 2019. WaterNSW is keen to receive customer feedback on what they like, don't like, want to see etc and there is a feedback button on the page.

4.7 iWAS improvements (J Dickson)

- Carryover forecast by account and a trial of amending water orders within lead times is launching soon. Apportioning usage by licence/works coming later this year.

5. Business Papers:

- Noted and taken as read.

6. General Business

6.1 Letter to outgoing Chairperson

Action MLD1907.05: Write to Sally Dye, outgoing Chairperson, expressing thanks for her service to the Murray-Lower Darling CAG.

Responsibility: J Dickson

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6.2 Customer alerts

- Customers asked if they can receive a text/alert when there is off-allocation/supplementary access. WaterNSW advised that we are looking to improve communications and customers can now set an alert on the WaterLive App. We will also increase alerts through our Water Insights Portal. Customers can also phone our Call Centre to register to receive alerts (EWN) – 1300 662 077.

Meeting Review and Close

Next Meeting: Wednesday 27 November 2019 (TBC)

Meeting closed: 2.00pm

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Murray-Lower Darling Customer Advisory Group – Actions – 31 July 2019

Carried forward actions

Action No.	Action	Responsibility	Status
MLD1708.06	WaterNSW to confirm advice on stakeholder involvement in MDBA review process for airspace and capacity issues.	V Kelly	<p>Ongoing.</p> <p>WaterNSW will consult with our customers through the CAG at the appropriate time.</p> <p>Customers requested this issue be addressed asap. Is an important part of SDL projects and is critical for customers to be kept abreast in order to have input and understand consequences (eg PPMs). Discussed.</p> <p>Customers want to know what impact WaterNSW sees on customers given the changes. Should be a rolling action.</p> <p>Once information becomes available, WaterNSW will provide updates on SDL/rule changes as they progress through the DPIE process.</p>
MLD1809.03	WaterNSW to seek direction from Regulator/NRAR if customers will be in breach of conditions if they accessed groundwater but an allocation is received later in the season.	D Stockler	<p>In progress.</p> <p>Awaiting response from NRAR.</p>
MLD1809.04	WaterNSW to plan an additional LOS workshop for the Murray-Lower Darling prior to February 2019.	A Fraser	Discussed at agenda item 4.2. Cycle 2 workshop planning underway.
MLD1809.06	WaterNSW to contact L Burge out of session to discuss environmental water delivery to the 18 indicator sites under the Basin Plan (as per agenda item 10.2).	V Kelly	Ongoing.
MLD1903.01	WaterNSW to provide customers with a breakdown of carryover on licences at the next meeting.	V Kelly	Ongoing.

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MLD1903.02	WaterNSW to advise if water traded over the border is tracked.	R Cocks	Complete. WaterNSW does not track water that is traded over the border.
MLD1903.03	Forward a copy of the MDBA report on losses to CAG members when it is released.	A Langdon	Complete, refer attached.

New actions

Action No.	Action	Responsibility	Status
MLD1907.01	WaterNSW to request DoIW to update the Wakool allowance naming convention from "loss" to "allowance" to ensure consistency.	V Kelly	
MLD1907.02	WaterNSW to provide information on carryover in accounts in the Barwon-Darling for unregulated tributaries.	D Berry	
MLD1907.03	WaterNSW to provide information on Queensland flows/historical flow regime.	D Berry	
MLD1907.04	WaterNSW to look at bringing the cycle 2 LOS workshop forward and provide additional dates to customers' asap.	A Fraser	
MLD1907.05	Write to Sally Dye, outgoing Chairperson, expressing thanks for her service to the Murray-Lower Darling CAG.	J Dickson	Complete.

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